

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 10 1200 Sixth Avenue Seattle, WA 98101

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Reply To

C. Steven Allred
Director
State of Idaho
Department of Environmental Quality
1410 North Hilton
Boise, Idaho 83706-1255

Mark Frei Acting Manager Idaho Operations Office U.S. Department of Energy 850 Energy Drive Idaho Falls, Idaho 83401-1563

Jessie H. Roberson Office of Assistant Secretary for Energy U.S. Department of Energy MS: EM-1, Room 5A-014 Building: FORS 1000 Independence Avenue, SW Washington, DC 20585

Re: Pit 9 Dispute Resolution, INSEL

Dear Messers Allred and Frei and Ms. Roberson,

I am pleased that we had the opportunity to speak with each other by teleconference last Friday regarding resolution of the Pit 9 dispute. I am writing to confirm EPA's understanding of some of the major points we discussed.

First, EPA looks forward to receiving DCE's proposal regarding quarterly briefings with EPA and IDEQ to discuss funding issues related to Pit 9. Please feel free to have your staff contact EPA's Project Manager, Wayne Pierre, at (206) 553-7261 to address the substantive issues that EPA would like to have included in senior management briefings.

Second, EPA understands that although the recent dispute resolution extension generally maintains dispute discussions at the current management level, DOE will be forwarding the State's penalty proposal to the Secretary of Energy for consideration.

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EPA encourages the State and DOE to continue such discussions in order to reach agreement regarding both the penalty amount and the penalty mechanism, i.e., stipulated penalties and/or trust fund.

I hope that all parties will make productive use of the twoweek period allotted for the current extension. Please do not hesitate to call me or have your staff contact Ann Williamson at (206) 553-2739 to discuss the specific details regarding resolution of this matter.

hal Administrator